

ROI Analysis

City of Boulder Flexible Rebate Program

December 2013

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Executive Summary

The City of Boulder's Flexible Rebate Program continues to be a useful and cost-effective tool for retaining businesses, based on a return on investment (ROI) analysis conducted by the Boulder Economic Council (BEC).

In 2012, rebates were approved for nine Boulder primary employers that contribute to the economic, environmental, and social sustainability of the community and agreed to stay in Boulder for at least three years. The companies planned to use the funds to help offset costs associated with their growth and expansion and make their operations more sustainable.

The rebates approved by City Manager Jane Brautigam in 2012 ranged from \$25,000 to \$80,000 for a total of \$395,000. Based on an analysis of projected employment and wages provided by rebate recipients for the three year period (2012-2014) covered by the rebate, the city will receive an estimated net return of \$1.3 million or \$3.61 for every \$1 invested, through:

- Sales taxes paid on business sales in Boulder
- Taxes on business capital expenditures and facility improvements in Boulder
- Building permit fees paid to the city, and
- Sales taxes paid on purchases by direct and indirect employees and visitors.

In addition, the rebate recipients will create new jobs and are committed to supporting the Boulder community through programs that align with the city's goals for environmental and social sustainability including paying higher than average wages, supporting local charities and non-profit organizations, and participating in programs to reduce their energy consumption, waste and employee commuter trips.

Program participants included companies in a range of industries including software, beverage manufacturing, medical devices and outdoor recreation. Six of the companies were considering locations outside the city and the rebates they received influenced their decisions to move to or remain in Boulder. When the companies submitted their applications in 2012, they ranged in size from 10 to 100 employees for a total of 368 workers. By 2014 they expect to employ a total of 543 workers for an increase of 48%.

2012 Flexible Rebate Recipient	Industry	2012 Employees	2014 Employees	Rebate Awarded	Net Return on \$1
American Rec Products	Outdoor	100	107	\$25,000	\$5.61
Gnip	Software	50	100	\$45,000	\$4.21
HEAD USA	Outdoor	10	20	\$50,000	(\$0.14)
MBio Diagnostics	Bioscience	32	49	\$30,000	\$5.57
RealD	Technology	67	81	\$80,000	\$1.98
Tensentric	Bioscience	35	45	\$40,000	\$2.82
Twisted Pine Brewing	Manufacturing	19	29	\$45,000	\$2.82
Upslope Brewing	Manufacturing	20	36	\$50,000	\$8.43
Zia Consulting	Software	35	76	\$30,000	\$3.76
Total		368	543	\$395,000	\$3.61

Detailed Summary of Results

Background

Since 2007, the City of Boulder has offered business incentives through its Flexible Rebate Program to help eligible businesses expand in Boulder. The program is part of the City's ongoing effort to support the economic vitality of the city through outreach, assistance, and recognition of local businesses.

To be eligible for the program, businesses are required to be primary employers, defined as generating more than half of company revenue from sales outside Boulder County. They are also required to reflect the values and goals of Boulder, demonstrated by commitment to environmental and social sustainability of the community, and to agree to remain in Boulder for at least three years. Funds are reimbursed only as companies submit receipts to showing that qualifying taxes and fees have been paid to the City of Boulder.

The Boulder Economic Council (BEC) has been commissioned by the City of Boulder to provide an objective evaluation of the effectiveness of the Flexible Rebate Program, including a return on investment (ROI) analysis.

(See Appendix C for more information including program history.)

Methodology

At the time each company applied for a rebate, the City of Boulder Finance Department performed an analysis to ensure that the sales tax on business sales in Boulder, any taxes on business expenditures in Boulder and building permit fees combined would cover the cost of the incentive. They also considered the sales taxes generated by anticipated spending by local employees and used a flat jobs multiplier of 1.5.

The BEC analysis builds on the city's analysis and includes the broader economic impacts that businesses have on the community. Key refinements to the analysis include consideration of:

- Industry specific 2011 IMPLAN job multipliers for each rebate recipient
- 2012 Bureau of Labor Statistics consumer spending data by employee wage group
- Spending for non-resident employees, conservatively estimated at \$25/week
- Spending for overnight business visitors based on the most recent data available from the Boulder Convention and Visitor's Bureau

(See Appendix B for more information on data sources, assumptions, and methodology.)

2012 Program Highlights

The City of Boulder approved \$395,000 in tax/fee rebates for nine primary employers in 2012. All of the companies were at transition points in their operations and planned to use funds from the Flexible Rebate Program to help offset costs associated with growth and expansion and make their operations more sustainable. The availability of an incentive through the rebate program was a factor for six of the companies who considered other locations but decided to remain in Boulder and for the company who chose to move their headquarters to the city.

The companies that were approved for an incentive through the City of Boulder Flexible Rebate Program in 2012 included different industries and sizes of businesses, reflecting the City's goal of assisting a variety of businesses with the program. Comments made by rebate recipients indicate the program is helping the city build goodwill in the Boulder business community and helping to demonstrate its support of business growth and expansion in Boulder.

The following companies were approved for a Flexible Rebate Program incentive in 2012 (*See Appendix A for a detailed overview of recipients*):



American Rec Products, an outdoor company that develops, tests and produces a collection of ten popular brands of outdoor equipment and apparel including Kelty, Sierra Designs, Royal Robbins and Slumberjack. The company relocated its headquarters to Boulder in 2010 to capitalize on the city's outdoor lifestyle branding. The company was approved for a rebate up to \$25,000 to help expand and remodel its offices to accommodate additional employees and provide a welcoming environment for clients visiting from outside Boulder.



Having the additional financial support from the City of Boulder enabled us to keep our current location and continue to support Boulder and the initiatives the city and our company promote on a daily basis.



Gnip, the world's largest provider of social data in the world that has helped create a new industry through partnerships with leading social media publishers. The company has grown rapidly since it was founded in Boulder in 2008, increasing to 50 employees in four years. The company chose to remain in downtown Boulder where it provides an attractive work environment for employees. Gnip received approval for a rebate up to \$45,000 to support its growth and the purchase of hardware, software and other equipment for new employees.



This rebate will assist Gnip in its growth strategies by enabling the company to provide hardware, software and other equipment for new employees. As Gnip's staff size grows, so will its economic footprint and ability to support local vendors, the entrepreneurial community and non-profits.



HEAD USA, a leading global manufacturer and marketer of premium sports equipment and apparel.

The company's winter sports division relocated to Boulder in 2012 and renovated existing space to create an office and showroom with environmentally friendly materials. HEAD was approved for a rebate up to \$50,000 to help offset renovation and relocation costs. The Flexible Rebate incentive demonstrated Boulder's interest in the company and helped convince HEAD officials to choose Boulder over other cities for its US headquarters.



Other states and municipalities made more aggressive financial offers, but Boulder is a great fit for the company and the company is a great fit for Boulder. We have grand plans to grow our business and number of employees. This rebate will help facilitate that growth.



MBio Diagnostics, a company spun off from Boulder-based Precision Photonics in 2009 to focus on research and development of medical devices

that rapidly diagnose infectious diseases with global impact such as HIV and hepatitis. MBio was approved for a rebate up to \$30,000 to help offset the costs associated with renovating an existing 17,000 square foot building in Boulder to provide more space for research and manufacturing and expanding the research team and equipment necessary to support continued growth.



We intend to use proceeds from this program to offset costs associated with the expansion of our physical resources and team, as well as acquisition of necessary equipment to continue our company's growth.



RealD, a leading global licensor of 3D and other visual technologies for movies, consumer electronics, and visualization tools. Boulder is home to research and

development, manufacturing and customer support operations for the company. RealD received approval for a rebate of up to \$80,000 to help offset the costs of an extensive expansion of its Boulder operations to accommodate more visitors, grow its workforce and expand manufacturing capacity. The Flexible Rebate Program helped influence the company's decision to remain in Boulder.



Receiving a rebate has given us the ability to host more visitors and allowed RealD to further invest in our employees ... happy and satisfied employees directly benefits the company.



tensentric

Tensentric, a Boulder-based engineering firm that specializes in designing and developing

medical devices for clients ranging from start ups to top medical device manufacturers. The company was founded in 2009 and grew to 35 employees with more than a dozen full-time contractors by 2012 – creating over 50 high-paying jobs. As a result, Tensentric



needed to find a larger space. Tensentric was approved for a rebate of up to \$40,000 to help offset the costs of purchasing and renovating an existing building in Boulder.

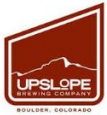
Our growth has enabled us to create 50 high paying jobs in Boulder. The Flexible Rebate Program helped us purchase and remodel an existing building in Boulder – representing an investment of more than \$4 million.



Twisted Pine Brewing Company, a craft brewery founded in Boulder in 1995 that is driven by innovation in brewing and strong community involvement. Twisted Pine uses local ingredients for its award winning beer whenever possible. The company's manufacturing facility features a tap room that serves as a popular gather place for Boulder locals and people visiting the area to participate in brewery tours. Twisted Pine received approval for a rebate of up to \$45,000 to help offset the costs of an extensive expansion.



We have been supporting Boulder and receiving support from Boulder for the past 17 years. After completing an expensive expansion, we have no intention of ever leaving the city that helped us grow.



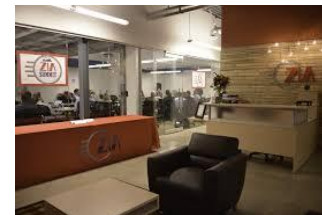
Upslope Brewing Company, a microbrewery founded in 2008 in a small space in North Boulder. Since then the company has grown dramatically, from two to 27 employees and from 80 to 12,000 barrels. Upslope was approved for a rebate up to \$50,000 to help offset the costs of hiring additional employees and renovating an existing building for manufacturing and a tap room. The company received incentive offers from other cities; the Flexible Rebate Program helped make staying in Boulder a competitive option for Upslope.



The rebate created a competitive bid for staying in Boulder. It has allowed us to expand in Boulder and hire more employees.



Zia Consulting, a company that provides Enterprise Content Management design and solutions that help companies address environmental, communication and efficiency issues by converting paper files into cloud-based searchable documents and project management integration. Zia was approved for a rebate of up to \$30,000 to help offset the costs of purchasing furniture and equipment for expanded office space it created by renovating an existing building and to upgrade employee computers and software.



The Flexible Rebate Program enabled Zia to maintain a business presence in Boulder, employ more Boulder residents and continue our philanthropic endeavors and environmental sustainability program.

2012 rebate recipients included companies in the beverage manufacturing, bioscience, entertainment, outdoor recreation and software industries.

2012 Flexible Rebate Recipient	Industry Sector
American Rec Products	Outdoor Equipment and Apparel
Gnip	Software as Service
HEAD USA	Outdoor Equipment and Apparel
MBio Diagnostics	Bioscience – Medical devices
RealD	Technology and Entertainment
Tensentric	Bioscience – Medical devices
Twisted Pine Brewing Company	Manufacturing – Beverage
Upslope Brewing Company	Manufacturing – Beverage
Zia Consulting	Software and Consulting

Recipients ranged in size from 10 to 100 employees in 2012 for an overall total of 368 employees. The companies that received a rebate anticipated adding a total of 175 additional employees over the three years covered by the program (2012 to 2014) with projected employment growth ranging from 7% to 117% or overall growth of 48%.

2012 Recipient	Employees 2012	Employees 2013	Employees 2014	Employees added 2012-14	% Growth
American Rec	100	105	107	7	7%
Gnip	50	80	100	50	100%
HEAD USA	10	13	20	10	100%
MBio Diagnostics	32	32	49	17	53%
RealD	67	77	81	14	21%
Tensentric	35	39	45	10	29%
Twisted Pine	19	22	29	10	53%
Upslope	20	27	36	16	80%
Zia Consulting	35	62	76	41	117%
Total	368	457	543	175	48%

Based on employment multipliers for different industries, rebate recipients will also generate an estimated 763 indirect jobs between 2012 and 2014.

2012 Recipient	Indirect Jobs 2012	Indirect Jobs 2013	Indirect Jobs 2014	Total Indirect Jobs Created
American Rec	32	32	35	99
Gnip	28	44	53	125
HEAD USA	8	5	10	23
MBio Diagnostics	36	39	82	157
RealD	12	13	14	39
Tensentric	7	8	9	24
Twisted Pine	28	26	39	93
Upslope	28	39	48	115
Zia Consulting	15	26	47	88
Total	194	232	337	763

Forty-three percent of the individuals employed by rebate recipients in 2012 resided in Boulder, compared to an estimated citywide average of 34%.

2012 Recipient	Total Employees 2012	Resident Employees 2012	% of Employees living in Boulder
American Rec	100	38	38%
Gnip	50	34	68%
HEAD USA	10	8	80%
MBio Diagnostics	32	14	44%
RealD	67	14	21%
Tensentric	35	8	23%
Twisted Pine	19	13	68%
Upslope Brewing	20	14	70%
Zia Consulting	35	17	49%
Total	368	160	43%

Financial Return on Investment – All Rebate Recipients

An analysis by the Boulder Economic Council indicates that for every dollar invested in rebate incentives for 2012 Flexible Rebate Program recipients, the city is expected to gain over three dollars in revenue. Based on the information provided by the companies that received rebates and assumptions made in the financial analysis, it is estimated that the City of Boulder will recoup an estimated net return of \$1,312,377 (net present value) over the three-year period the companies agreed to remain in Boulder.

The following table summarizes the rebates approved and financial return on investment for 2012 Flexible Rebate Program participants. The net return on each \$1 authorized for rebates is estimated to range from -\$.14 to \$8.43 for an overall net return of \$3.61.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	\$5.61
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	\$4.21
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	(\$.14)
MBio Diagnostics	\$30,000	\$27,902	\$183,254	\$155,352	\$5.57
RealD	\$80,000	\$73,513	\$219,362	\$145,849	\$1.98
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	\$2.82
Twisted Pine	\$45,000	\$40,758	\$155,784	\$115,026	\$2.82
Upslope	\$50,000	\$46,280	\$436,589	\$386,480	\$8.43
Zia Consulting	\$30,000	\$27,634	\$131,621	\$103,987	\$3.76
Total	\$395,000	\$363,782	\$1,676,160	\$1,312,377	\$3.61

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

Financial Return on Investment – New and Retained Businesses

Of the nine companies that were approved in 2012 to receive incentives through the Flexible Rebate Program, six were considering moving their business to a location outside the city and one relocated to Boulder from another state and had considering relocating to another city. These companies indicated the rebate played a role in their decisions to move to or remain in Boulder. A return on investment analysis of businesses attracted or retained through the program indicates the City will recoup an estimated net return of \$938,012 (net present value) over the three-year period the companies agreed to remain in Boulder or \$3.51 on each \$1 authorized for rebates.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014): New and Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	\$5.61
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	\$4.21
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	(\$.14)
RealD	\$80,000	\$73,513	\$219,362	\$145,849	\$1.98
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	\$2.82
Upslope	\$50,000	\$46,280	\$432,760	\$386,480	\$8.35
Total	\$290,000	\$267,488	\$1,205,501	\$938,012	\$3.51

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

Since the program was introduced in 2007, a total of 44 companies have been approved for rebates totaling \$2,028,480. The total net return to the city is projected to be \$19,655,941 or \$10.72 for every \$1 invested. The ROI has varied from year to year depending on the mix of companies participating in the program and economic conditions.

Flexible Rebate Funding and Returns: All Rebate Recipients 2007 - 2012						
Program Year	Program Funding	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$500,000	\$500,000	7	\$454,661	\$6,096,276	\$14.41
2008	\$350,000	\$322,135	8	\$284,752	\$2,498,800	\$8.78
2009	\$350,000	\$209,979	7	\$193,216	\$5,582,354	\$28.89
2010	\$350,000	\$320,366	7	\$291,147	\$3,437,388	\$11.81
2011	\$350,000	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$395,000*	\$395,000	9	\$363,782	\$1,312,377	\$3.61
Total	\$2,295,000	\$2,028,480	44	1,833,968	\$19,655,941	\$10.72

**includes \$350,000 budgeted amount and \$45,000 in carryover funds from previous unused funds.*

During that same time, a total of 25 companies were retained in or attracted to Boulder as a result of the program. Those companies were approved for rebates totaling \$1.1 million. The net return to the city is estimated to be \$5.3 million or \$4.74 for every \$1 invested.

Flexible Rebate Funding and Returns: New and Retained Businesses 2007 - 2012					
Program Year	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$250,422	4	\$228,018	\$2,119,331	\$18.11
2008	\$150,000	3	\$130,040	\$418,709	\$2.22
2009	\$119,963	3	\$111,077	\$488,819	\$4.40
2010	\$150,000	3	\$136,053	\$613,162	\$4.51
2011	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$290,000	6	\$267,488	\$938,012	\$3.51
Total	\$1,241,385	25	\$1,119,086	\$5,306,779	\$4.74

ROI figures were calculated based on the amount of approved rebates rather than the rebates that had been issued to companies. Not all companies have submitted receipts to collect the full amount of their approved rebate, as shown in the table below. As a result, net returns may actually be higher than the analysis shows.

Flexible Rebate Funding and Actual Rebates Paid: Rebate Recipients 2007 - 2012					
Program Year	Program Funding	Rebates Approved	Total Recipients	Rebates issued as of November 2013	Unclaimed rebates
2007	\$500,000	\$500,000	7	\$458,998	\$41,002
2008	\$350,000	\$322,135	8	\$245,017	\$77,118
2009	\$350,000	\$209,979	7	\$195,588	\$14,391
2010	\$350,000	\$320,366	7	\$277,108	\$68,258
2011	\$350,000	\$281,000	6	\$178,638	\$102,362
2012	\$395,000	\$395,000	9	\$228,270	\$166,730
Total	\$2,295,000	\$20,028,480	44	\$1,583,619	\$469,861

Note: 2011 and 2012 rebate recipients are still submitting receipts

Social, Environmental and Community Sustainability

While the City of Boulder's Flexible Rebate Program is based on the belief that growing, retaining, and attracting businesses to Boulder is vital to the city's economic sustainability, the program also reflects the City's commitment to environmental and social sustainability.

The companies that were awarded incentives in 2012 are actively participating in programs that help meet City of Boulder goals of reducing waste and energy consumption, increasing the use of alternative transportation by workers and supporting the social well being of the community.



American Rec Products donates extra outdoor equipment and apparel to Boulder-based non-profits including the local homeless shelter. The company supports industry initiatives including trail clean-up and sustainable programs and provides employees with three paid days off each year for volunteering efforts. American Rec purchases many goods and services from local businesses including catering, hotel rooms and conference space for company meetings and visiting buyers.



Gnip has been named a Best Place to Work by the Denver Business Journal. The company covers the total cost of City of Boulder Parks and Rec annual passes for employees and their families, as well as employee Eco passes and Boulder B-cycle memberships. The company occupies a LEED Gold certified building. The company's annual Big Boulder conference brings 200 customers and partners to Boulder where Gnip hosts dinners and parties to support local hotels, restaurants and other businesses. "Gnip Gives Back" focuses the company's philanthropic efforts and facilitates employee community service.



HEAD USA provides full-time employees and their families with comprehensive medical and dental coverage and pays 80% of the premiums. The company encourages employees to ride bikes to work by providing shower facilities, bike storage and \$240 toward the cost of a bicycle. HEAD has a LEED-AP on staff and used environmentally friendly materials in its new showroom including LED lighting and beetle-kill pine purchased locally from Boulder Lumber.



MBio Diagnostics pays higher than average salaries and provides competitive benefits to employees. The company plans to implement a zero waste program; it currently provides single stream recycling and uses CHARM to recycle other materials such as Styrofoam. MBio encourages employees to bike to work and the company uses local vendors when possible.



RealD pays 96% of health insurance premiums for all full-time employees and their dependents. The company has an Environmental Purchasing Policy and its new facility is targeted for a LEED Silver certification. The company hosts a number of vendors, prospects and industry partners in Boulder who support local hotels and restaurants.



tensentric

Tensentric has a diverse and highly skilled workforce, pays average wages significantly higher than average and covers 100% of employee health insurance premiums. The company equips employees with computer workstations at their homes and office to facilitate telecommuting. All office supplies, catering and the company's new facility were purchased locally and Boulder-based consultants are used when available.



Twisted Pine employs Imagine!, a local non-profit that supports individuals with cognitive and physical disabilities, for box building, mixed 12-pack filling and janitorial services. The company has a zero waste rating from Western Disposal and its Ale House is 100% compostable. Twisted Pine uses local ingredients in brewing its beer when possible. It purchases goods and services from Boulder businesses and used a local contractor for its recent expansion and renovation project.



Upslope Brewing contributed more than \$300 per employee to non profit organizations in 2012. The company reconditions wooden pallets to extend their use in the brewery and sends used malt bags to Green Guru where they are up-cycled into bags and totes that are sold in Upslope's tap room. The company purchases many of its goods and services from Boulder companies including Anthem Branding and Wild Goose Engineering.



Zia Consulting pays 100% of employee health insurance premiums on select plans, hosts a Zia Wellness Day, provides free CPR/First Aid training and pays 50% of employee parks and rec passes or gym memberships. The company offsets 100% of its energy consumption through renewable wind energy credits purchased through Xcel Energy. The Zia Incubator of Giving enables employees to develop and host creative philanthropic programs and events.

The following table provides an overview of 2012 recipients' current or planned participation in programs that support social, energy and community sustainability. It is important to note the following:

- The table below is based on information provided on Flexible Rebate applications and may not reflect the full range of companies' participation in activities or programs that support sustainability
- Some companies provided only the information related to "points" earned toward demonstrating compliance with sustainability guidelines
- Only those programs or activities that earned "points" are listed in the table, and companies may have included other programs and activities on their Flexible Rebate applications

2012 Flexible Rebate Recipients: Social, Energy and Community Sustainability	American Rec	Gnip	HEAD USA	MBio Diagnostics	RealD	Tensentric	Twisted Pine	Upslope	Zia Consulting
Above average wages									
Provides health insurance benefits									
Workplace diversity program									
Supports non-profits									
Dependent care									
Housing assistance									
Wellness and health									
Requested energy assessment									
10 for Change Challenge participant									
EnergySmart Participation									
Purchased renewable energy credits									
On-site renewable energy									
Single stream recycling program									
Environmental Purchasing Policy									
Zero Waste program									
PACE certified facility									
LEED certified facility									
Commute Trip Reduction program									
Alternative work schedules; telecommuting									
Showers and changing facilities									
Secure and covered bicycle parking									
Preferential parking for carpools/vanpools									
Increased costs for drive alone commuters									
CTR Financial Incentives									
Eco-Pass Program participant									
Business practices support sustainability									
Buys from Boulder businesses*									

Conclusion

The City of Boulder's Flexible Rebate Program has continued to provide the Boulder City Manager with an important and effective tool to help retain, grow, and attract businesses that align with Boulder's values and goals and generate a positive return on investment.

In addition to providing a positive return on the dollars invested in incentives, the program provides:

- Strong demonstration of the City's interest in and support of the local business community and an opportunity to make companies feel appreciated.
- Opportunity for the City staff members to strengthen relationships with individual businesses.
- Ability to help mitigate some of the extra costs associated with remaining or expanding in Boulder that were incurred by program participants.
- Careful selection process, including a preliminary ROI calculation, wage and employment projections, and projected expenditures in the community.
- Publicity for growing companies through press releases announcing program awards.

Appendix A

Overview of 2012 Flexible Rebate Recipients

The following summaries highlight information provided by each of the companies that were awarded business incentives through the City of Boulder's Flexible Rebate program in 2012.

- American Rec Products
- Gnip
- HEAD USA
- MBio Diagnostics
- RealD
- Tensentric
- Twisted Pine
- Upslope Brewing
- Zia Consulting

American Rec Products

Established in St. Louis, Missouri in 1988, American Rec Products relocated its headquarters to Boulder in 2010 to capitalize on the city's outdoor lifestyle branding. The company draws upon decades of experience and a love of the outdoors to develop, test and produce some of the finest camping, backpacking, outdoor equipment and apparel available. American Rec offers a wide variety of gear to complement virtually any outdoor pursuit through mass retailers, sporting goods stores and outdoor specialty outfitters as well as mail order and online. Its collection includes ten of the best-known and best-loved brands in the outdoor industry: Kelty, Sierra Designs, Slumberjack, Wenzel, Rokk, Insta-Bed, Mountain Trails, Ultimate Direction and ISIS.



From its base in Boulder, American Rec pools both physical and intellectual assets, ensuring the continued growth and success of each individual brand in a highly competitive outdoor marketplace. The company grew from 35 to 60 employees when it moved from St. Louis to Boulder in 2010. By moving an additional business to Boulder and changing its business model to bring more responsibilities in-house American Rec grew to 100 employees by 2012, an increase of 35% in two years. While the company does not expect to maintain that same growth rate, it plans to add staff as it grows.



American Rec's business practices support the livability, health and vitality of Boulder. The company pays above-average wages and offers health insurance benefits to all full-time employees and their dependents. It supports community volunteer efforts, provides paid time off for employees who volunteer and donates its products to local non-profits including the homeless shelter. It purchases a minimum of 25% of its total goods and services from Boulder companies, and supports environmental sustainability through energy efficiency, waste reduction and commute trip reduction programs.

Having the additional financial support from the City of Boulder enabled us to keep our current location and continue to support Boulder and the initiatives the city and our company promote on a daily basis.

When American Rec applied for a Flexible Rebate incentive in 2012, its offices had become inadequate. Significant improvements were needed to support continued growth and to provide suitable working conditions for employees and a welcoming environment for buyers visiting from outside Boulder. While the company felt that being in Boulder made a strong statement about its commitment to supporting a healthy, outdoor lifestyle, the need to upgrade its space raised questions about the feasibility of remaining in the city. The additional financial support received from the City of Boulder's Flexible Rebate Program helped make it possible for American Rec to secure the funding it needed for expanding and remodeling its space and keep the company's headquarters in Boulder.

American Rec Products	
Industry Sector	Wholesale – Recreation Products
Rebate approved	\$25,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	100	105	107
Resident Employees – Full & Part Time	38	38	41
Multiplier Effect - Jobs Created	32	32	35

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$25,000	\$23,140	\$152,929	\$129,789	\$6.61	\$5.61

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Pays above average wages* • Health insurance benefits to all full-time employees and dependents* • Supports non-profits* <ul style="list-style-type: none"> ○ Donates excess product (sleeping bags and other outdoor equipment) to local non-profits including Boulder homeless shelter ○ Provides employees with 3 paid days off each year for volunteering
Community Sustainability	<ul style="list-style-type: none"> • Business practices support sustainability* • Volunteer program support for industry initiatives including trail clean-up and sustainability programs • Hosts yoga and fitness training on-site for employees with Boulder-based instructors • Purchases a minimum of 25% of total goods and services (catering, hotels for visitors, conference space for meetings, furniture and equipment, staffing agencies, web design, etc.) from Boulder companies*
Environmental Sustainability	<ul style="list-style-type: none"> • Requested energy assessment* <ul style="list-style-type: none"> ○ Energy assessment after construction and remodeling completed • EnergySmart participation* <ul style="list-style-type: none"> ○ Energy Smart training after construction and remodeling completed • Participates in single stream recycling and composting* • Plan to implement an environmental purchasing policy* • Preferential parking for carpools/vanpools* • Commute trip reduction programs for employees including alternative work schedules, showers and changing rooms and areas for securing bicycles* • Hired contractor that participates in energy efficient processes • Applied for a generator license to ensure all electronics and toxic material are recycled to meet city requirements

*Earned points on application

Gnip

Gnip is the largest provider of social data in the world and has created official partnerships with leading social media publishers such as Twitter, Tumblr, Foursquare WordPress, Stock Twits and Disqus. The company has helped create an industry that did not exist at the time of Gnip's founding in 2008. Its leadership in the social data industry helps to solidify Boulder's reputation for technological innovation and leadership, and this reputation has created a fertile seedbed for cultural diversity and economic vitality.



Gnip's co-founder Jud Valeski has lived in Boulder nearly all of his life and believes strongly in supporting the community and providing a strong work environment for Gnip employees. The choice to remain in downtown Boulder during its recent expansion demonstrates the company's commitment to the community. Gnip consciously chooses local vendors; Dish Gourmet, Colt Printing, Amante, Ozo and the St. Julien are among the nearly 150 Boulder-based small businesses that Gnip patronizes.

Gnip has been named a best place to work by the Boulder Chamber and Denver Business Journal. The company provides many employee benefits including free catered breakfasts, snacks, gym memberships, office ski passes, stock options, 401k options, parking, health insurance and flexible vacation policy. Over two-thirds of Gnip's full-time employees live in Boulder and with average salaries greater than 180% of the county average, they are able to contribute in a meaningful way to the city's economy. Gnip employees are active in the community, volunteering for non-profits, organizing professional gatherings in Boulder and enjoying the city both individually and collectively. Gnip Gives Back focuses on the company's philanthropic efforts and makes it easier for employees to engage in community service.



Gnip supports Boulder's tourism industry and local businesses. In June 2012, Gnip hosted over 200 customers and partners at its inaugural Big Boulder conference, held at the St. Julien hotel. The company hosted dinners and parties at downtown restaurants, provided free coffee at Amante Coffee's

This rebate will assist Gnip in its growth strategies by enabling the company to provide hardware, software and other equipment for new employees. As Gnip's staff size grows, so will its economic footprint and ability to support local vendors, the entrepreneurial community and non-profits.

Walnut Street location and contracted with 32 Boulder-based vendors for goods and services related to the conference. Gnip's headquarters are located in a LEED Gold-level certified building, engages in single stream recycling of its waste and offers Eco Passes and B-cycle memberships to employees.

The company applied for a Flexible Rebate incentive in 2012 to support growth plans by providing funds to purchase hardware, software and other equipment for new employees. By attracting and retaining competitive applicants, Gnip is able to help generate tax revenue for Boulder through employee purchase of homes, durable goods and everyday consumables.

Gnip	
Industry Sector	Software as a service
Rebate approved	\$45,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	50	80	100
Resident Employees – Full & Part Time	34	54	68
Multiplier Effect - Jobs Created	28	44	53

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$45,000	\$41,518	\$216,290	\$174,771	\$5.21	\$4.21

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Pays above average wages* • Fixed contribution to help cover cost of health insurance premiums* • Wellness and health program for employees* • Equal Opportunity Employer and member of the National Center for Women & Information Technology's Entrepreneurial Alliance • Donates approx. \$70/employee annually to Boulder-based charities and non-profits; flexible time off policy enables employees to participate in community service*
Community Sustainability	<ul style="list-style-type: none"> • Competitive wage enables employees to buy or rent homes in the city, participate in cultural events, dine out and engage in community events • Purchases approximately 25% of its goods and services within Boulder* • Supports Boulder businesses including coffee for employees at two local coffee shops • Gnip Gives Back program that organizes group service opportunities • Hosted Big Boulder, world's largest conference on social data, bringing more than 200 people to Boulder including some of the world's thought leaders in social media for two days
Environmental Sustainability	<ul style="list-style-type: none"> • Single stream recycling of office and kitchen waste* • LEED Gold certified building* • Purchases environmentally friendly products • Eco Passes and B-cycle memberships for employees*

*Earned points on application

HEAD USA, Inc.

HEAD is a leading global manufacturer and marketer of premium sports equipment and apparel. The company is organized into five divisions: Winter Sports, Racquet Sports, Diving, Sportswear and Licensing. The Winter Sports division relocated from Norwalk, Connecticut to Boulder in 2012.



The company was founded in 1950 by Howard Head, a Harvard-educated aerospace engineer who developed the first laminated metal ski. In the late 1960s, the company moved to Boulder where it operated for many years until moving back to Maryland in the 1990s. When the company recently decided to relocate its US headquarters, it received a number of incentive offers from other states and municipalities, including other cities in Colorado. The financial incentive offered by the city through its Flexible Rebate Program helped convince HEAD USA officials of the city's interest in having the company in Boulder.



Today, HEAD Wintersports is proud to once again call Boulder home and has found that having a location in the #1 state for skiing is already proving to be hugely beneficial. Boulder is a great fit for the company and the company is a great fit for the city. The company employs local residents and contributes to the local tax base. As a nationally recognized brand, HEAD will help bring additional attention to Boulder as a great place to do business for outdoor companies. The company has already been focusing on its new home during marketing and sales presentations and is interested in pursuing co-marketing opportunities between Boulder and HEAD.

HEAD believes in sustainable business practices and tries to practice what it preaches. The company is part of a collective that has protected over 100,000 acres of rainforest. It has a LEED® AP (Accredited Professional) on staff and is constantly striving to improve its environmental practices and operations. In remodeling, HEAD used low-VOC paints and adhesives, purchased locally as much as possible and focused on creating a pleasant working environment by adding a large skylight to provide daylight for those without a window. The company's showroom was fitted with formaldehyde-free plywood coated with locally sourced beetle kill pine and LED product lighting to minimize energy use. HEAD is also committed to reducing commutes and encourages employees to ride bikes to work.

The Flexible Rebate incentive will help the company offset the major investment made in its Boulder offices and employees relocating to Boulder. The company has added hired several area residents and plans to continue to add staff to its Boulder headquarters. The rebate will help facilitate that growth.

Other states and municipalities made more aggressive financial offers, but Boulder is a great fit for the company and the company is a great fit for Boulder.

We have grand plans to grow our business and number of employees. This rebate will help facilitate that growth.

HEAD USA	
Industry Sector	Sporting Goods Distribution
Rebate approved	\$50,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	10	13	20
Resident Employees – Full & Part Time	8	6	10
Multiplier Effect - Jobs Created	8	5	10

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$50,000	\$46,280	\$39,976	(\$6,304)	\$.86	(\$.14)

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Pays above average wages* • Comprehensive medical, dental and vision coverage for employees; company pays 80% of premiums for full-time employees* • Health and wellness program for employees* • Plans to support local non-profits including arts organizations
Community Sustainability	<ul style="list-style-type: none"> • Committed to furthering city policies and initiatives related to economic vitality, environmental sustainability and health and wellness • Provides a healthy, employee-friendly workplace • Provides employees with an opportunity to succeed financially • Purchases a high percentage of goods and services locally
Environmental Sustainability	<ul style="list-style-type: none"> • Requested energy assessment* • EnergySmart participation* • Used environmentally friendly materials in office remodeling including low-VOC paints, locally sourced beetle kill pine and LEC lighting • Single stream recycling with recycle bins at desks, in kitchen and at workstations • Purchase products that are environmentally friendly* • Waste composting and other programs to reduce waste* • Encourages employees to ride bikes to work by helping with purchase of a bicycle, providing bike racks and shower facilities, and allowing employees to store bikes indoors* • Commute Trip Reduction financial incentives* • Working with City of Boulder LEAD staff to further develop energy efficiency and waste reduction programs

*Earned points on application

MBio Diagnostics, Inc.

MBio Diagnostics, Inc. was established in 2009 through a spin off from Boulder-based Precision Photonics to focus on research and development efforts for medical devices designed to provide rapid diagnosis of infectious diseases with a high global impact such as HIV and hepatitis. “MBio” is a Swahili word meaning quick or fast.



The company anticipates market introduction of their first product in late 2014 which will lead to the creation of dozens of new manufacturing, R&D and administrative jobs in Boulder in coming years.

In October 2012, MBio renovated a 17,000 square foot building in Boulder to accommodate their need for additional space. Financial support provided by the City’s Flexible Rebate Program will help offset the costs associated with the expansion of Bio’s development and manufacturing space, research team and equipment necessary to continue the company’s growth.

MBio employees include PhD-level research and development scientists, laboratory, manufacturing, marketing and administrative personnel. The company’s employees are active in the Boulder community and provide an economic benefit by spending their disposable income, from shopping and dining to the purchase of real estate. The company encourages its employees to maintain a work life balance, and many enjoy their leisure, entertainment and exercise in Boulder. Employees are also encouraged to use alternate modes of transportation and the company provides shower facilities and indoor bike parking. The majority of employees bike to work.



While the nature of the company’s highly specialized research and development activities limit its ability to purchase goods and services locally, MBio uses Boulder businesses whenever possible for catering, office supplies and entertainment.

We intend to use proceeds from this program to offset costs associated with the expansion of both the physical resources and the team, as well as acquisition of necessary equipment to continue our company’s growth.

On an ongoing basis, MBio entertains visits by customers, investors, recruits and partners. Each visit generates local economic activity and tax revenue through hotel stays, meals and entertainment, etc.

As MBio grows to meet its commercialization goals it will be necessary to recruit experts in the medical device industry, many of whom are expected to be from outside the local area. These recruits will be a valuable addition to the Boulder workforce and help to enhance the attractiveness of Boulder to other biotechnology companies.

MBio Diagnostics	
Industry Sector	Bioscience – Medical Devices
Rebate approved	\$30,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	32	32	49
Resident Employees – Full & Part Time	14	15	32
Multiplier Effect - Jobs Created	36	39	82

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$30,000	\$27,902	\$183,254	\$155,352	\$6.57	\$5.57

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Pays above average salary* • Competitive benefits including short and long term disability and health and dental insurance for employees and their dependents* • Plan to institute a Health and Wellness program with subsidized City of Boulder Parks and Recreation annual passes for employees*
Community Sustainability	<ul style="list-style-type: none"> • Business practices demonstrate company and employee concern with social and environmental impact on community • Uses local vendors where feasible • Plans to recruit additional experts in the medical devices industry to Boulder market, enhancing attractiveness to other biotechnology companies
Environmental Sustainability	<ul style="list-style-type: none"> • Encourages employee use of alternative transportation; provides showers and indoor bicycle parking* • Provides single stream recycling bins throughout the facility* • Recycles non-single stream items, i.e., Styrofoam at CHARM • Purchases Energy Star equipment when possible and uses recycled paper products when available • Commute Trip Reduction financial incentives* • Plans to implement an environmental purchasing policy* • Plans to participate in 10 for Change Challenge and request an energy efficiency assessment by the Energy Smart team*

*Earned points on application

RealD Inc.

RealD is a leading global licensor of visual technologies. RealD's extensive intellectual property portfolio is used in applications that enable a premium 2D or 3D viewing experience in the movie theater, the home and elsewhere. The company pioneered today's digital 3D and is currently the world's most widely used 3D cinema projection technology.



Founded in 2003, RealD purchased Boulder-based Colorlink after the company played an instrumental role in collaborating with RealD to develop RealD's first 3D cinema projection system. Although the company is headquartered in Beverly Hills, its Boulder location plays a major role in company operations including research and development, manufacturing and customer support.

The company pays above average wages, covers 96% of the cost of health insurance premiums for all full-time employees and their dependents, donates at least \$25/year per full-time employee to local non-profits and is committed to supporting local businesses. In 2012, the company donated 800 pounds of food to the local food bank and contributed funds to the Blue Sky Bridge foundation.

RealD has committed to offsetting the equivalent of 100% of the facility energy for the next two years, participates in single stream recycling and has a sustainable purchasing policy.

Receiving a rebate has given us the ability to host more visitors and allowed RealD to further invest in its employees. Having happy and satisfied employees directly benefits the company.



RealD hosts a number of visitors including celebrity filmmakers, entertainment industry executives, vendors, industry partners, clients and prospective clients. The company also has a policy requiring numerous employees from the Beverly Hills office to visit the Boulder facility on a weekly basis. Those visitors support the local economy by staying in local hotels and visiting local eateries. As the popularity of 3D and other visual technologies developed by RealD has grown, visits to the company's offices in Boulder have increased.

RealD needed to expand its Boulder facility to accommodate visitors, grow its workforce and expand its capacity to manufacture 3D cinema systems. Receiving a Flexible Rebate incentive had a positive influence on the company's decision to remain in Boulder. RealD now has two facilities in the city that provide the ability to host visitors and demonstrate RealD's technology, and house the company's R&D, engineering, cinema field support, purchasing and manufacturing teams.

RealD	
Industry Sector	Technology and Entertainment
Rebate approved	\$80,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	67	77	81
Resident Employees – Full & Part Time	14	15	16
Multiplier Effect - Jobs Created	12	13	14

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$80,000	\$73,513	\$219,362	\$145,849	\$2.98	\$1.98

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Pays above average wages* • Pays 96% of health insurance premiums for all full-time employees including medical coverage for full-time employees and their dependents* • Supports non-profits* <ul style="list-style-type: none"> ○ Donates at least \$25/year per full-time employee to local non-profits ○ In 2012, RealD donated 800 pounds of food to the local food bank and contributed funds to the Blue Sky Bridge foundation
Community Sustainability	<ul style="list-style-type: none"> • Hosts approximately 12 guests per week, supporting local hotels, restaurants and retail stores • At least 50% of company employees eat lunch at local restaurants • Future hires are expected to come from out of state, contributing to increased home sales and rental activity
Environmental Sustainability	<ul style="list-style-type: none"> • Purchased green-e certified renewable energy credits; committed to offsetting the equivalent of 100% of the facility energy use for the next two years* • Participates in single stream recycling* • Has a sustainable purchasing policy to encourage the purchase and use of materials and products that meet identified sustainability measurements* • Registered new building with the GBCI and targeted LEED for Commercial Interiors Silver certification*

*Earned points on application

Tensentric

Boulder-based Tensentric is a rapidly growing engineering firm focused on designing and developing medical devices. Tensentric provides clients with all engineering disciplines (software, electrical, mechanical, optical, quality and reliability, etc.) to help clients take their products from concept through complete design and transition to manufacturing. Tensentric serves many top 10 medical device OEMs (original equipment manufacturers) as well as medical and life science startups. Company engineers hold more than 75 patents and Tensentric has participated in over 30 major projects and designed more than 200 medical devices. Most Tensentric clients are located outside Colorado and the company brings significant revenue into the state and local economy.



The company was founded in 2009 and grew from two to 35 full-time employees and more than a dozen full-time contractors in three years – creating over 50 high-paying jobs in Boulder. As a result of the company's growth, Tensentric needed to find a larger space and invested over \$4 million to purchase and remodel a facility in Boulder.

Tensentric has a diverse (over 30% are women or minorities) and highly skilled workforce with an average wage that is significantly higher than average. The company supports the health and wellness of employees. It offers six health plans and covers 100% of employee health insurance premiums, on-site fitness equipment and discounts on gym memberships. The company has programs in place to reduce commute trips, offering alternative work schedules, telecommuting and flexible hours. To facilitate telecommuting, Tensentric equips employees with computing workstations at their homes as well as the office. Employees are encouraged to bike to work or carpool. The company's new facility is located next to a city bike path, has showers and changing facilities and provides both indoor and outdoor secure bike storage. Premium parking spaces are reserved for employees who carpool.



Our growth has been remarkable and enabled us to create 50 high-paying jobs in Boulder.

The Flexible Rebate Program helped us purchase and remodel an existing building in Boulder – representing an investment of more than \$4 million.

Tensentric is committed to energy sustainability and plans to participate in 10 for Change, and request an on-site energy use and energy efficiency opportunities assessments. The company also has a recycling program and environmental purchasing policy that includes paper, office, kitchen and cleaning supplies and encourages employees, suppliers and customers to be environmentally conscious. The company's Partners in Caring Program supports non-profit organizations including Global Hope, Boulder AIDS Project, Engineering World Health and Health Trust AIDS Services. The company also provides matching donations for employee contributions to eligible charities. Tensentric is also committed to supporting the local economy and purchases goods and services locally whenever possible.

Tensentric	
Industry Sector	Bioscience – Medical Devices
Rebate approved	\$40,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	35	39	45
Resident Employees – Full & Part Time	8	9	10
Multiplier Effect - Jobs Created	7	8	9

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$40,000	\$36,757	\$140,355	\$103,598	\$3.82	\$2.82

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Pays above average wages* • Health insurance for employees; company pays 100% of employee premiums; insurance available for all employee dependents* • Supports diversity; over 30% of employees are women or minorities • Supports non-profits* <ul style="list-style-type: none"> ○ Tensentric's Partners in Caring Program made charitable donations of more than \$50,000 in 2012 ○ Matches employee contributions to eligible charities • Wellness and health* <ul style="list-style-type: none"> ○ Pays a portion of employee gym memberships ○ Provides on-site showers, changing facilities and fitness equipment
Community Sustainability	<ul style="list-style-type: none"> • Purchases goods and services in Boulder when possible, including office supplies and catering* • Purchased and remodeling building in Boulder • Uses local consultants when available • Visitors to the company represent an estimated 100 room nights/year
Environmental Sustainability	<ul style="list-style-type: none"> • Participates in 10 for Change* • Plans to request energy assessment and participate in Energy Smart* • Single-stream recycling program* • Environmental purchasing program that encourages employees, suppliers and customers to be environmentally conscious* • Commuted trip reduction program including alternative work schedules, telecommuting and flexible hours.* • Encourages carpooling with carpool parking close to doors* • Encourages biking to work with shower and changing facilities, secure bike parking inside and outdoors*

*Earned points on application

Twisted Pine Brewing Company

Twisted Pine Brewing Company's first batches were brewed in 1995 by craft beer industry legend Gordon Knight in a small facility on Valmont Road in Boulder. Gordon initially offered American Amber, Honey Brown and Raspberry Wheat, and all three remain Twisted Pine staples to this day. In late 2006, Gordon sold the business to a friend and current owner, Bob Baile, founder of Peak to Peak Brewing Company in Rollinsville, Colorado. The breweries merged and Bob's recipes were added to Twisted Pine's lineup. In 2003, Twisted Pine moved into a much larger facility, allowing the company to expand capacity and open an ale house which has become a popular gathering place for Boulder locals and visitors alike.



Over the years, the brewery has earned a wall full of awards including four Great American Beer Festival medals and two World Beer Cups. Today, Twisted Pine is driven by innovation in brewing and strong community involvement. The City of Boulder's Flexible Rebate Program helped support Twisted Pine's decision to expand and remain in Boulder.

Many people visit Boulder to take brewery tours and Twisted Pine offers them a unique experience and friendly environment. The company's Ale House provides a meeting place for friends and acts as an incubator for community organizations such as BioBeers.

Recognizing that its loyal customers allow Twisted Pine to pursue its passion for beer, the company strives to give back as much and as often as possible. The company holds monthly benefits to support the community, raising over \$10,000 in 2011 for local non-profits and collecting over 100 pounds of food for Emergency Family Assistance Association. Twisted Pine employs Imagine!, a local non-profit that supports individuals with physical and cognitive disabilities, for box building, mixed twelve-pack filling and janitorial services.

The company buys local ingredients when possible, including espresso products from the Unseen Bean for its award-winning Espresso Stout. It also used a local contractor, Pine Construction, to complete its expansion and renovation program. Twisted Pine has received a zero-waste rating by Western Disposal. The company recycles glass, cans and cardboard and its Ale House is 100% compostable. It has also installed a water tank to ensure no reusable water goes down the drain. Most of Twisted Pine employees rent or own houses and spend their income in Boulder. The company encourages the use of alternative modes of transportation and most of its employees get to work by walking, riding their bikes, riding the bus or carpooling.

We have been supporting Boulder and receiving support from Boulder for the past 17 years. After completing an expensive expansion, we have no intention of ever leaving the city that helped us grow.

Twisted Pine Brewing Company	
Industry Sector	Manufacturing – Beverage
Rebate approved	\$45,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	19	22	29
Resident Employees – Full & Part Time	13	20	23
Multiplier Effect - Jobs Created	28	26	39

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$45,000	\$40,758	\$155,784	\$115,026	\$3.82	\$2.82

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Provides health insurance benefits for employees* • Holds monthly benefits to support local non-profits* • Encourages workforce diversity* • Employs Imagine! for box building, product filling and janitorial services
Community Sustainability	<ul style="list-style-type: none"> • Buys local ingredients whenever possible • Used a local contractor to complete expansion and renovation • Supports local restaurants and businesses • Provides a meet-up place for friends and acts as an incubator for organizations such as BioBeers
Environmental Sustainability	<ul style="list-style-type: none"> • Ale House is zero waste; uses only compostable products* • Recycles glass, cans and cardboard • Working toward a PACE certification* • Participates in 10 for Change program* • Requested energy assessment* • Energy audit to identify opportunities to improve energy efficiency • Preferential parking for carpools/vanpools* • Most employees use alternative modes of transportation to work • Purchased a water storage tank to recycle water used in brewing • Has an Environmental Purchasing Policy* • Business practices support sustainability*

*Earned points on application

Upslope Brewing Company

Upslope Brewing Company was founded in 2008 by Matt Cutter, based on a dream and love of homebrewing beer. The brewery started with two employees – Matt, who kept his day job and spent mornings, evenings and weekends building the company, and his business partner who worked full time -- in a small space in North Boulder. The company has grown dramatically; increasing capacity from 80 barrels in 2008 to approximately 12,000 barrels in 2012, and staff from 2 to 27 employees.



Upslope sells its beer exclusively in Colorado and half its sales are in Boulder County. The company envisions further expansion in the state and possibly in other states. To accommodate planned growth and expansion, Upslope recently opened an additional facility in Boulder. During the planning process for the new location, the company received incentive offers from other cities. Receiving a Flexible Rebate incentive helped make staying in Boulder a competitive option for the company. The rebate has also enabled Upslope to hire more employees and continue to expand in Boulder.

The company has strived for sustainable growth and business development while maintaining a high standard for product quality. Upslope supports workforce diversity, pays competitive wages and offers health insurance benefits to employees. The company supports commute trip reduction through encouraging employees to carpool or bike to work. Recycling is a part of the company culture and aluminum, glass, office paper and cardboard are recycled. Upslope is also working toward becoming a zero waste facility. Used plastic wrap is taken to Eco-cycle to be compacted and responsibly recycled. Wooden pallets that are broken or unusable are refurbished for continued use in the brewery. Super sacks, 1-ton malt bags, are up-cycled to Boulder's Green Guru and made into bags, totes and other products that are sold in our tap room. Food waste from events and the company's tap room are composted.



Whenever possible the company purchases goods and services locally; suppliers include Anthem Branding, Wild Goose Engineering, Savory Spice Shop, Dragonfly Coffee Roasters, Bookcliff Winery, Cured Cheese Shop, McGuckins Hardware, Munson Farms, Green Guru, Tundra and many more. Upslope's Flatiron Park tap room supports Boulder tourism and provides an important amenity and meeting place for area businesses. Upslope supports many local charities and non-profits including the Colorado Music Festival, There with Care, Invest in Kids, Crestview Elementary, Colorado Trout Unlimited, Brewers Association and many more. The company donates 1% of all proceeds from Craft Lager sales to Colorado Trout Unlimited to help protect the state's watersheds. In 2012, Upslope contributed over \$300 per employee to non-profits in goods, services and monetary donations.

The rebate created a competitive bid for staying in Boulder. It has allowed us to expand in Boulder and hire more employees.

Upslope Brewing Company	
Industry Sector	Manufacturing – Beverage
Rebate approved	\$50,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	20	27	36
Resident Employees – Full & Part Time	14	21	27
Multiplier Effect - Jobs Created	28	39	48

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$50,000	\$46,280	\$436,589	\$390,309	\$9.43	\$8.43

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> Competitive salaries – on par with Brewers Association standards for production breweries Health insurance benefits for employees* Supports local non-profits including Colorado Music Festival, There with Care, Crestview Elementary, Invest in Kids, Brewers Association, Colorado Trout Unlimited and many more* Wellness and health program*
Community Sustainability	<ul style="list-style-type: none"> Purchases goods and services locally whenever possible* Supports Boulder tourism Provides amenity for nearby businesses
Environmental Sustainability	<ul style="list-style-type: none"> Requested energy assessment* Will upgrade Lee Hill facility to increase energy efficiency Worked with Energy Smart program to improve sustainability and efficiency during renovations at Flatiron park facility* Participates in 10 for Change* Working with Xcel Energy to assess on-site energy use at Flatiron facility Worked with Sustainable Ideas to improve practices at Lee Hill facility Recycles aluminum, glass, office paper and cardboard and provided employee education on recycling including hard-to-recycle items Recycles plastic wrap through Eco-Cycle; Reconditions unusable wooden pallets to extend their use and keep them out of the landfill Works with Green Guru to turn large malt bags into bags, totes and other items and sells them in tap room Composts food waste, paper towels and other compostable items* Reduces commute trips by encouraging employees to bike to work or carpool and telecommuting for non-production employees*

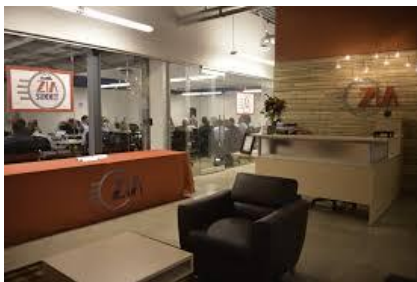
*Earned points on application

Zia Consulting

Zia Consulting was created based on the recognition that businesses need to address environmental, communication and efficiency shortfalls and that Enterprise Content Management could solve these issues by converting paper files into cloud-based searchable documents and project management integration. Zia founders were also committed to creating a company in which employees feel happy and cared for and work in an environment that promotes personal and professional growth.



The company pays its employees above-average salaries, covers up to 100% of the premiums for health insurance, and has a wellness and health program that includes Zia Wellness Day, free CPR/First Aid training, and subsidized gym memberships. It also provides secure bike storage and shower facilities.



Zia is committed to environmental sustainability and developed a “Paper to Mobile” campaign to reduce paper waste and increase workplace efficiency and productivity. The company also offers flexible work schedules and encourages telecommuting to help employees save money on gas while decreasing fossil fuel consumption and the number of cars on the road. The company used energy efficient equipment and environmentally friendly products in its office renovation, offsets its energy consumption through the purchase of renewable wind energy, has an

environmental purchasing policy, has a recycling program to reduce waste and has taken steps to identify opportunities to further increase energy efficiency.

The company has created the Zia Incubator of Giving (ZIG) to encourage employees to create philanthropic programs that serve the Boulder community. Through ZIG, employees have developed several programs including one that matches tech-savvy companies willing to donate their time and expertise with local non-profits who need help in identifying and finding solutions to software needs.

Zia has been growing at a rapid pace and had reached a point where it needed to expand from a 4,000 to 13,000 square foot office space. The company was able to find office space in Flatiron Park, but needed to make costly renovations to make the space suitable to meet its clients and employee needs. Money from the Flexible Rebate Program helped the company purchase furniture and equipment for its new offices and upgrade employee computers and software.

Zia is dedicated to its employees, the environment, and helping those in need.

Money from the Flexible Rebate Program has enabled Zia to maintain a business presence in Boulder, employ more Boulder residents and allow us to continue our philanthropic endeavors and environmental sustainability program.

Zia Consulting	
Industry Sector	Technology, software
Rebate approved	\$30,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	35	62	76
Resident Employees – Full & Part Time	17	31	55
Multiplier Effect - Jobs Created	15	26	47

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$30,000	\$27,634	\$132,873	\$105,239	\$4.76	\$3.76

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> • Pays above average wages* • Encourages personal growth of employees • Pays up to 100% of employee health insurance premiums* • Subsidizes cost of employee gym memberships* • Provides free CPR/First Aid training for employees*
Community Sustainability	<ul style="list-style-type: none"> • Business practices support sustainability* • Supports philanthropy through programs developed by internal think tank (Zia Incubator of Giving)* • Projects include hat and glove drive , food drive, and program that matches non-profits with tech consultants who provide free assistance with software needs assessments and purchase decisions • Purchases goods and services locally whenever possible
Environmental Sustainability	<ul style="list-style-type: none"> • Used energy efficient fixtures in office renovation • Purchases renewable energy credits* • Participates in Energy Smart program* • Single stream recycling* • Environmental purchasing policy* • Commute Trip Reduction program* • Offers flexible work schedules and encourages telecommuting* • Provides showers and safe bike storage for employees*

*Earned points on application

Appendix B

Financial Analysis Assumptions and Data Sources; Objective and Methodology

The following summary outlines the format, assumptions and data sources used to analyze each company which received a rebate incentive from the City of Boulder in 2012.

The ROI Analysis of the 2012 City of Boulder Flexible Rebate Program uses a model specifically developed to provide a reasonable and conservative estimate of the value of the investment to the local economy. Inputs include total employment, number of workers who reside in Boulder, wages, and local expenditures. The model utilizes 2011 job multipliers created by Minnesota IMPLAN Group for the city of Boulder. Utilizing the job multiplier specific to the industry of each recipient, we can more reliably demonstrate the impact each company has on inducing additional job creation in the local area.

Multiplier factors are developed by economists by industry. For instance, the multiplier factor for aerospace is higher than one for professional services. This is based upon data which shows differences in supplier/services utilization and other factors by industry. For example, if a company is in Food Product (NAICS 311), the job multiplier is 2.464 (1.00 direct job and 1.464 indirect induced jobs). If a company in this category has 20 direct employees, research shows that those jobs will induce 29.28 ($1.464 * 20$) indirect jobs (consultants, suppliers, retail, etc.) in the community. This analysis applied the IMPLAN job multiplier only to the number of employees who are also Boulder residents.

The analysis also estimates the benefit (sales tax) generated by expenditures of employees who live in Boulder. Those consumer expenditures were derived from the Bureau of Labor Statistics, 2012 Consumer Expenditures Survey for the U.S. population. Only those expenditures that would be subject to city sales tax and most likely to occur locally are included. The data is based upon income levels before tax, so a person earning over \$70,000 a year is shown to spend more than someone earning between \$20,000 and \$29,900 per year. Non-resident employees were assumed to spend an average of \$25/week for 50 weeks per year.

The analysis covers 2012-2014, the three-year period of the agreement each recipient has with the city. The discounted cash flows provide the current value of future income and expenses. The benefits shown by the analysis are derived *solely from city taxes and fees* paid directly by:

- The companies when spending on construction projects, capital goods (furniture and equipment) and general local purchases,
- The companies on any local sales of products and services subject to local tax,
- Visitors to the company spending in Boulder,
- Their direct employees when purchasing in Boulder, and,
- The indirect employees, those jobs induced at other companies by the company being here, when purchasing in Boulder

The costs reflect the payout of the rebate incentive to the company at the time it is anticipated the company will provide proof of taxes/fees paid and will actually receive the reimbursement.

To provide as accurate an analysis as possible, the BEC provided each Flexible Rebate recipient with a draft of the analysis for their company and a summary of the information used in the analysis from the company's application including number of employees, number of resident employees, average salaries, and expenditures in the city. The companies were asked to provide updates and additional information. Those changes were reflected in the final analysis and report.

Other notes about the 2012 analysis:

- The model discounts the future cash flow into current dollars using a rate of 5%, the historical cost of capital identified by the City of Boulder's Finance Department.
- 2012-2014 data was used in the analysis to remain consistent with the city's original timing and the requirement that the companies agree to remain in Boulder for three years.
- Data provided by the companies in their original applications was updated based on subsequent information provided by companies on actual or updated projections of employee and salary figures, final construction costs, etc.
- The 2012 ROI analysis used the same model as previous years and included the impact of company expenditures and estimated spending by direct and indirect employees for a more comprehensive look at the impact on the community.
- Part time employees were included if applicable.
 - Employee spending estimates were based on Bureau of Labor Statistics Consumer Expenditures Survey from 2012, the most recent data available. To estimate employee spending, average US consumer expenditure data was used. Data for wage levels that matched each company's average salary was used to estimate spending for direct employees and the average wage for City of Boulder residents was used to estimate indirect employee spending. Based on the demographic characteristics and spending habits of Boulder residents, the use of spending data based on national averages is likely to provide a conservative estimate. Spending categories (Table 1202 National figures by income) included:
 - Food, Apparel and services, Vehicle maintenance and repairs
 - Housing – maintenance, repairs, insurance, other (50%), Housekeeping supplies, Household furnishings and equipment
 - Entertainment
- To estimate the multiplier effect of jobs supporting additional jobs, Minnesota IMPLAN Group, Inc. 2011 employment multiplier data by NAICS (North American Industry Classification System) code for Boulder was used. Multipliers are generally available at the two-digit or three-digit NAICS code level which is at a broad-grouping level of industry segments. Type SAM multipliers for the following NAICS codes were used in the analysis:
 - 312 Beverage Manufacturing: Twisted Pine, Upslope Brewing (3.186843)
 - 334 Computers and Other Electronic Product Manufacturing: MBio Diagnostics (3.574056)
 - 42 Wholesale Trade: American Rec, HEAD USA (2.009522)
 - 541 Professional, Scientific, and Technical Services: Gnip, RealD, Tensentric, Zia Consulting (1.853741)
- The average compensation used for indirect or induced jobs is \$58,331, the average wages for the City of Boulder (*Bureau of Labor Statistics, 2012*). Induced jobs include software programmers, engineers, construction, retail, personal service and many others.
- For non-residential employees, spending was estimated at an average of \$25.00 per week for 50 weeks. This is well below the average spending for daytime visitors to Boulder of \$81 per day based on 2010 data from the Boulder Convention and Visitors Bureau.

Appendix C

Return on Investment– All Rebate Recipients: 2007 – 2012

Since the Flexible Rebate Program was introduced in 2007, a total of 44 companies have been approved for rebates through the program totaling \$2,053,480. The total net return to the City of Boulder is projected to be \$19.6 million in taxes and fees associated with capital expenditures and facility improvements, local sales, overnight visitors and direct and indirect employee spending or \$10.58 for every \$1 invested. The ROI has varied from year to year depending on the mix of companies participating in the program and economic conditions.

Flexible Rebate Funding and Returns: All Rebate Recipients 2007 - 2012						
Program Year	Program Funding	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$500,000	\$500,000	7	\$454,661	\$6,096,276	\$14.41
2008	\$350,000	\$322,135	8	\$284,752	\$2,498,800	\$8.78
2009	\$350,000	\$209,979	7	\$193,216	\$5,582,354	\$28.89
2010	\$350,000	\$320,366	7	\$291,147	\$3,437,388	\$11.81
2011	\$350,000	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$395,000*	\$395,000	9	\$363,782	\$1,312,377	\$3.61
Total	\$2,295,000	\$2,028,480	44	1,833,968	\$19,655,941	\$10.72

*includes \$350,000 budgeted amount and \$45,000 in carryover funds from previous unused funds.

2007 Return on Investment – All Recipients

Conclusion from 2007 analysis report: The companies all provide broad benefits to the community, not only economically, but socially and environmentally as well. The full benefits analysis provides a conservative assessment of their economic impact at a \$6.1 million return over three years on the investment made by the city in the form of incentives. However, even when taking a very limited incremental view of the benefits derived from the rebates by only including projects we might not have won and businesses that might otherwise have moved out of Boulder, the city management can feel confident that a strong, net return of \$1.9 million is still being earned on this investment.

Return on Investment – 2007 Flexible Rebate Recipients (2007 – 2009)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Ball Aerospace	\$100,000	\$90,703	\$2,219,704	\$2,219,001	\$24.47
Crispin Porter + Bogusky	\$100,000	\$90,971	\$1,109,089	\$1,018,117	\$12.19
IBM*	\$100,000	\$90,703	\$2,511,545	\$2,420,842	\$27.69
LeftHand Networks	\$80,698	\$74,073	\$144,840	\$70,769	\$1.96
Mountain Sports Media	\$44,917	\$40,741	\$224,678	\$183,937	\$5.51
OZ Architecture	\$49,578	\$44,969	\$234,202	\$189,234	\$5.21
Solekai Systems	\$24,807	\$22,501	\$106,876	\$84,376	\$4.75
2007 Total	\$500,000	\$454,661	\$6,550,935	\$6,096,276	\$14.41

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

*Only includes taxes and fees generated by the new data center that the incentive helped win for Boulder

2008 Return on Investment – All Recipients

Conclusion from 2008 analysis report: The companies all provide broad benefits to the community, not only economically, but socially and environmentally as well. The full benefits analysis provides a conservative assessment of their economic impact at a \$4.5 Million return over three years on the investment made by the city in the form of incentives. However, even when taking a very limited incremental view of the benefits derived from the rebates by only including projects we might not have won and businesses that might otherwise have moved out of Boulder, the city management can feel confident that positive net return of \$288,699 is still being earned on this investment.

Return on Investment – 2008 Flexible Rebate Recipients (2008 – 2010)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Advanced Thin Films	\$50,000	\$47,619	\$152,748	\$105,129	\$2.21
Chocolove	\$24,535	\$21,849	\$53,089	\$31,240	\$1.43
Eco-Products	\$29,000	\$26,304	\$389,311	\$363,007	\$13.80
Namaste Solar	\$29,086	\$26,382	\$697,129	\$670,747	\$25.42
Rally Software	\$50,000	\$44,833	\$232,406	\$187,573	\$4.18
Seth Ellis Chocolatier	\$39,514	\$34,826	\$61,893	\$27,067	\$0.78
Siemens Wind Power	\$50,000	\$37,588	\$33,555	(\$4,033)	(\$0.11)
Wall Street on Demand	\$50,000	\$45,351	\$1,163,070	\$1,118,070	\$24.65
2008 Total	\$322,135	\$284,752	\$2,783,552	\$2,498,800	\$8.78

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

2009 Return on Investment – All Recipients

Conclusion from 2009 analysis report: The companies greatly benefit the community, both economically and socially, and are important to Boulder's image. The conservative estimate of a \$5.6 million net return on investment suggests the program is still a very strong investment for the city. Even when looking at only the incremental returns, the \$488,819 net return on investment (which does not include Celestial Seasonings, another incremental gain) represents positive economic gains that are clearly advantageous.

Return on Investment – 2009 Flexible Rebate Recipients (2009 – 2011)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Celestial Seasonings	\$56,441	\$51,194	\$973,871	\$922,677	\$18.02
eTown	\$50,000	\$47,619	\$205,253	\$157,634	\$3.31
IBM	\$35,000	\$31,746	\$4,293,702	\$4,261,956	\$134.25
Sea to Summit	\$10,820	\$10,305	\$67,164	\$56,859	\$5.52
Stratom, Inc.	\$12,525	\$11,361	\$22,361	\$11,000	\$0.97
Tundra Specialties	\$34,963	\$31,712	\$181,789	\$150,077	\$4.73
Visionlink	\$10,230	\$9,279	\$31,430	\$22,151	\$2.39
2009 Total	\$209,979	\$193,216	\$5,775,570	\$5,582,354	\$28.89

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

2010 Return on Investment – All Recipients

Conclusion from 2010 analysis report: The companies benefit the community, both economically and socially, and are important to Boulder's image. The estimate of a \$11.81 net return on each \$1 invested indicates the program is still a solid investment for the city, particularly since it assists different sizes and types of companies.

Return on Investment – 2010 Flexible Rebate Recipients (2010 – 2012)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Rally Software	\$50,000	\$45,351	\$385,152	\$339,801	\$7.49
Microsoft	\$50,000	\$45,351	\$151,209	\$105,858	\$2.33
Mountainside Medical	\$50,000	\$45,351	\$462,656	\$417,305	\$9.20
Covidien	\$75,000	\$68,027	\$1,018,741	\$950,714	\$13.98
Precision Wind	\$25,000	\$23,243	\$138,015	\$114,773	\$4.94
Spectra Logic	\$65,000	\$58,957	\$1,447,940	\$1,388,983	\$23.56
Trada	\$5,366	\$4,867	\$124,821	\$119,954	\$24.65
2010 Total	\$320,366	\$312,536	\$3,728,534	\$3,437,388	\$11.81

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

2011 Return on Investment – All Recipients

Conclusion from 2011 analysis report: The City of Boulder's Flexible Rebate Incentive Program continues to generate a positive return on investment, while providing the City Manager with an important and effective tool to help retain, grow, and attract businesses that align with the city's values and goals.

Return on Investment – 2011 Flexible Rebate Recipients (2011 – 2013)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Tendril Networks	\$85,000	\$77,098	\$315,320	\$238,223	\$3.09
LogRhythm	\$85,000	\$73,426	\$471,564	\$398,138	\$5.42
Biodesix	\$60,000	\$51,830	\$61,652	\$9,822	\$.19
juwi Wind	\$15,000	\$12,958	\$44,644	\$31,687	\$2.45
Eetrex	\$26,000	\$22,460	\$49,790	\$27,330	\$1.22
Salewa	\$10,000	\$8,638	\$32,185	\$23,546	\$2.73
2011 Total	\$281,000	\$246,410	\$975,155	\$728,746	\$2.96

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

2012 Return on Investment – All Recipients

Conclusion from 2012 analysis report: The City of Boulder’s Flexible Rebate Program has continued to provide the Boulder City Manager with an important and effective tool to help retain, grow, and attract businesses that align with Boulder’s values and goals and generate a positive return on investment.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	\$5.61
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	\$4.21
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	(\$1.14)
MBio Diagnostics	\$30,000	\$27,902	\$183,254	\$155,352	\$5.57
RealD	\$80,000	\$73,513	\$219,362	\$145,849	\$1.98
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	\$2.82
Twisted Pine	\$45,000	\$40,758	\$155,784	\$115,026	\$2.82
Upslope	\$50,000	\$46,280	\$436,589	\$390,309	\$8.43
Zia Consulting	\$30,000	\$27,634	\$131,621	\$103,987	\$3.76
Total	\$395,000	\$363,782	\$1,676,160	\$1,312,377	\$3.61

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

Return on Investment– New and Retained Business Recipients: 2007 – 2012

From 2007 and 2012, a total of 25 companies were attracted to or retained in Boulder as a result of the Flexible Rebate Program and approved for rebates totaling \$1.2 million. The overall net return to the city is projected to be \$5.3 million or \$4.74 for every \$1 invested.

Flexible Rebate Funding and Returns: New and Retained Businesses 2007 - 2012					
Program Year	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$250,422	4	\$228,018	\$2,119,331	\$18.11
2008	\$150,000	3	\$130,040	\$418,709	\$2.22
2009	\$119,963	3	\$111,077	\$488,819	\$4.40
2010	\$150,000	3	\$136,053	\$613,162	\$4.51
2011	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$290,000	6	\$267,488	\$938,012	\$3.51
Total	\$1,241,385	25	\$1,119,086	\$5,306,779	\$4.74

2007 Return on Investment – New or Retained Businesses

In 2007, the Flexible Rebate Program provided incentives that influenced IBM's decision to locate its green data center in Boulder and the decisions of LeftHand Networks, Mountain Sports Media and Solekai Systems to remain and expand in Boulder.

Return on Investment – 2007 Flexible Rebate Recipients (2007 – 2009) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
IBM*	\$100,000	\$90,703	\$2,511,545	\$2,420,842	\$27.69
LeftHand Networks	\$80,698	\$74,073	\$144,840	\$70,769	\$1.96
Mountain Sports Media	\$44,917	\$40,741	\$224,678	\$183,937	\$5.51
Solekai Systems	\$24,807	\$22,501	\$106,876	\$84,376	\$4.75
Total	\$250,422	\$228,018	\$2,119,331	\$1,891,313	\$9.29

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

*Only includes taxes and fees generated by the new data center that the incentive helped win for Boulder

2008 Return on Investment – New or Retained Businesses

In 2008, incentives provided through the Flexible Rebate Program influenced the decisions of Advanced Thin Films and Siemens to move to Boulder and Rally's decision to remain and expand in Boulder.

Return on Investment – 2008 Flexible Rebate Recipients (2008 – 2010) – New or Retained Businesses					
Retained Businesses	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Advanced Thin Films	\$50,000	\$47,619	\$152,748	\$105,129	\$2.21
Rally Software	\$50,000	\$44,833	\$232,406	\$187,573	\$4.18
Siemens Wind Power	\$50,000	\$37,588	\$33,555	(\$4,033)	(\$0.11)
2008 Total	\$150,000	\$130,040	\$418,709	\$288,669	\$2.22

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

2009 Return on Investment – New or Retained Businesses

In 2009, the Flexible Rebate Program provided incentives that influenced the decisions of eTown, IBM and Tundra Specialties decision to expand in Boulder.

Return on Investment – 2009 Flexible Rebate Recipients (2009 – 2011) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
eTown	\$50,000	\$47,619	\$205,253	\$157,634	\$3.31
IBM*	\$35,000	\$31,746	\$4,293,702	\$4,261,956	\$134.25
Tundra Specialties	\$34,963	\$31,712	\$181,789	\$150,077	\$4.73
2009 Total	\$119,963	\$111,077	\$599,896	\$488,819	\$4.40

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

*Includes only those taxes and fees generated by IBM's new division

2010 Return on Investment – New or Retained Businesses

In 2010, incentives provided through the Flexible Rebate Program influenced the decisions of Rally Software, Microsoft and Mountainside Medical to remain and expand in Boulder.

Return on Investment – 2010 Flexible Rebate Recipients (2010 – 2012) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Rally Software	\$50,000	\$45,351	\$385,152	\$339,801	\$7.49
Microsoft	\$50,000	\$45,351	\$151,209	\$105,858	\$2.33
Mountainside Medical	\$50,000	\$45,351	\$462,656	\$417,305	\$9.20
2010 Total	\$150,000	\$136,053	\$749,215	\$613,162	\$4.51

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

2011 Return on Investment – New or Retained Businesses

In 2011, the Flexible Rebate Program provided incentives that influenced Biodesix's decision to move to Boulder and the decisions of Tendril Networks, LogRhythm, juwi Wind, Eetrex and Salewa to remain and expand in Boulder.

Return on Investment – 2011 Flexible Rebate Recipients (2011 – 2013) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Tendril Networks	\$85,000	\$77,098	\$315,320	\$238,223	\$3.09
LogRhythm	\$85,000	\$73,426	\$471,564	\$398,138	\$5.42
Biodesix	\$60,000	\$51,830	\$61,652	\$9,822	\$.19
juwi Wind	\$15,000	\$12,958	\$44,644	\$31,687	\$2.45
Eetrex	\$26,000	\$22,460	\$49,790	\$27,330	\$1.22
Salewa	\$10,000	\$8,638	\$32,185	\$23,546	\$2.73
2011 Total	\$281,000	\$246,410	\$975,155	\$728,746	\$2.96

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

2012 Return on Investment – New or Retained Businesses

In 2012, incentives provided through the Flexible Rebate Program influenced the decision of HEAD USA to relocate to Boulder and the decisions of American Rec, Gnip, RealD, Tensentric and Upslope to remain and expand in Boulder.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014) – New and Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	\$5.61
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	\$4.21
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	(\$1.14)
RealD	\$80,000	\$73,513	\$219,362	\$145,849	\$1.98
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	\$2.82
Upslope	\$50,000	\$46,280	\$436,589	\$390,309	\$8.43
Total	\$290,000	\$267,488	\$1,205,501	\$938,012	\$3.51

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

History of Boulder's Economic Vitality and Flexible Rebate Programs: 2002-2012

Since 2002, the city of Boulder has proactively worked to establish and support an economic vitality program that provides consistent outreach, assistance and recognition of business in the community. As part of an overall economic vitality plan, a pilot Business Incentive Program was developed and implemented in 2007, including a pilot Flexible Rebate Program with funding of \$500,000 from the city targeted at retaining and expanding primary employers in Boulder.

Primary employers are defined as those that “export” the majority of their goods and services outside the community, infusing external funds into the local economy and producing a substantial impact on local output, employment and wages. From the time of implementation of the pilot through 2008, the city defined primary employers as businesses (excluding hotel, retail and food services) that generate at least 75% of their revenues from outside Boulder County. This is a higher threshold than many communities use and the definition was lowered to “exceeds 50%” in 2009.

The 2007 Flexible Rebate Program pilot was judged to be a success and has been continued by the city each year since then as a formal program. The city has commissioned the Boulder Economic Council (BEC) to provide an objective evaluation of the effectiveness of the program each year based on its value in retaining or attracting businesses and providing a return on the city's investment.

Some program criteria have changed to ensure that grant recipients support the city's goals for social and environmental sustainability. The maximum rebates granted, as well as the funding provided in each year's city budget, has also changed to address funding constraints in the city's budget. Changes made to the program since 2007 include:

- Expanded options for demonstrating commitment to environmental sustainability including energy and waste reduction, energy certifications, encouraging alternative transportation, general sustainable business practices and buying locally
- Primary Employer was redefined as one consisting of any number of employees
- The amount of revenue required to be derived from the sale of goods and/or services outside of Boulder county was lowered from 75% to 50% to be consistent with the common definition of a primary employer within the state
- The application form was adjusted so that it could be filled in online and arrangement of the information and requirements on the city's website were improved to facilitate ease of use based upon feedback from users.

City of Boulder Economic Vitality and Flexible Rebate program highlights:

2002

- As part of the 2003 budget (in 2002), city EV efforts were funded by using a portion of the resources currently available from \$2.9 million Boulder Urban Renewal Authority (BURA) bond reserve fund that came back to the city when the BURA bonds were paid off.
- A base budget of \$250,000 per year for five years was set for the EV account (with carryover of unused funds each year) beginning in 2003 and *continuing through 2007*. The urban redevelopment portion of the account began in 2004 and *continued through 2008*.
- Prior to 2003, the City Council economic goal group had a series of discussions about economic initiatives and concluded that a more focused effort to formulate an economic policy was required.

2003

- City Manager Frank Bruno convened the Economic Vitality Action Group (EVAG) in February, 2003—his first few weeks on the job. The charge to the EVAG was to prepare appropriate options, tools and other strategies that will assist the city's efforts to enhance business opportunities and sales tax revenues. EVAG formulated a draft EV policy in August 2003.
- City Council adopted the EV policy in October 2003 (see policy in Attachment H).
- Initial EV staffing took place in late 2003 to mid-2004. Brad Power, who served as Executive Director of BURA since 1997 was hired as the fixed-term redevelopment director in December 2003.

2004

- Michael Stumpf served as the city's first EV coordinator from summer 2004 to spring 2005.
- The Economic Vitality Advisory Board (EVAB) was named by Frank Bruno in August 2004 as advisory to the city manager.

2005

- EVAB has provided advice and input to the city manager, individually and in periodic meetings since 2005.
- In April 2005, an EV work plan was adopted.
- After Stumpf's departure, Boulder Economic Council (BEC) Executive Director Sean Maher served as interim economic development coordinator from May 2005 to September 2006.
- An independent assessment of Boulder businesses' views of doing business in Boulder was conducted by business consultant, Ray Wilson in fall 2005.

2006

- Liz Hanson, a 20-year veteran of the Planning Department, was hired as the city's business liaison in January 2006 for a two-year fixed term.
- An updated EV work plan was reviewed by City Council at a study session in March 2006.
- A 2007 Business Incentives Pilot Program was adopted by City Council in September 2006.
- Frances Draper was hired as the new executive director of the BEC in September 2006.

2007

- The city and BEC enter into a 2007 agreement for specific services related to implementation of the pilot incentive program, business outreach, and business retention.
- EV staff implements the approved 2007 Business Incentives Pilot Program: Developing application and administrative review processes; creating and implementing a communication plan, including direct marketing and public presentations; and obtaining owner-occupied loan pool commitments and agreements.
- As of August 1, eight flexible rebate and two employee training applications are received from Boulder primary employers.
- The City Council authorized the Business Incentive Rebate Program for 2008.

2008

- The Boulder Economic Council contracts with the city to complete an analysis of the 2007 Pilot Business Incentive Rebate Program.
- The City Manager grants Business Incentive Rebates to eight companies.
- The analysis is completed and presented to City Council on April 22, 2008 showing a return of \$14.41 on every \$1.00 invested in incentive rebates.

2009

- City Council reauthorizes the City Manager to approve Business Incentive Rebates with some additional sustainability guidelines for companies to meet, to continue each year if funding is made available each year in the city's budget.
- A 2009 budget of \$350,000 is approved for the Flexible Rebate Incentive Program and \$50,000 for the city's contribution to a MicroLoan Fund.
- The City Manager grants Business Incentive Rebates to seven companies.
- The Boulder Economic Council provided an analysis of the 2008 program showing a return of \$8.78 on every \$1.00 invested in incentive rebates.

2010

- A 2010 budget of \$350,000 is provided for the Flexible Rebate Incentive Program and \$100,000 for the MicroLoan Fund.
- On September 30, the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University, announced that the City's Flexible Rebate Program was one of 173 government programs selected for its newly-created Bright Ideas program. In its inaugural year, the Bright Ideas honor is designed to recognize and share creative government initiatives around the country with interested public sector, nonprofit, and academic communities.
- Seven companies are granted Business Incentive Rebates totaling \$345,366
- The Boulder Economic Council provided an analysis of the 2009 program showing a return of \$28.89 on every \$1.00 invested in incentive rebates.

2011

- A budget of \$350,000 was provided for the 2011 Flexible Rebate Incentive Program, all of which was incorporated into the city budget rather than relying on one-time funding.

2012

- A budget of \$350,000 was provided for the 2012 Flexible Rebate Incentive Program with an additional \$45,000 in carryover funds.